

Testimony in Support of

H.B. No. 5137: An Act Concerning the Eligibility of Children Enrolled in the HUSKY Plan

Human Services Committee

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Senator Slossberg, Representative Abercrombie, and members of the Human Services Committee:

I am a Senior Policy Fellow, testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

Connecticut Voices **supports** H.B. 5137, AAC the Eligibility of Children Enrolled in the HUSKY Plan which would *restore* “continuous eligibility” for children to stabilize coverage in the HUSKY Program.

Although Connecticut has instituted many of the recommended simplification strategies to improve coverage in HUSKY (such as an annual renewal period, presumptive eligibility for children, elimination of an asset test, alignment of income counting rules for HUSKY A and B) one key missing strategy is 12 months of continuous eligibility. Between annual renewal periods, families are required to report changes in income, household size, and other factors that may affect eligibility. Despite efforts to simplify the renewal process, large numbers of people still experience “churning”, or the situation in which individuals enroll and dis-enroll from HUSKY A and B in Connecticut during the course of a year and at renewal.

“Continuous eligibility” is a state option under federal Medicaid and CHIP law that stabilizes enrollment by providing 12 months of coverage regardless of changes in family circumstances – typically income or family size. Connecticut experienced the benefits of continuous eligibility for children, which was in effect in the HUSKY program between 1999 and 2003.¹ When continuous eligibility was eliminated 7,000 children lost coverage.²

Connecticut should join the 32 states that have implemented continuous eligibility for children. Currently, 23 states offer continuous eligibility for children in their Medicaid and CHIP programs, and an additional nine states have continuous eligibility for children in their CHIP programs. A total of 32 states, – *more than 2/3 of the states in the nation – have instituted continuous eligibility for children.*³ Research shows that continuous eligibility for children stabilizes enrollment with longer periods of coverage on average.⁴

Maintaining health insurance coverage is key to children accessing timely and appropriate health care. Continuity of coverage is crucial for ensuring better quality of care, especially for those in need of preventive care and treatment for acute and chronic illnesses.⁵

Children who are continuously enrolled are more likely to have preventive care. Preliminary analyses of HUSKY enrollment and claims data for 2011 show that 64 percent of continuously enrolled children had well-child care, compared with just 34 percent of children enrolled less than 12 months.⁶ This difference was evident in every age group.

Connecticut Voices for Children has been monitoring enrollment and continuity of coverage for several years⁷. Our most recent analysis of enrollment data indicates that the percentage of children with gaps or loss of HUSKY coverage in 2012 was 13.5%.⁸ This means that about 38,000 of the 285,000 children enrolled in HUSKY in January that year lost coverage later in that year. It is likely that given the challenges facing the new eligibility systems under *ConneCT* and *Access Health CT* that this number will have increased in 2013 and now in 2014. The percentage of adults that experience gaps or loss of coverage is far greater. During 2011, only 62% of adults were enrolled for a continuous twelve-month period or conversely, 38% of adults experienced gaps or loss of coverage.⁹

Recently, the federal Centers for Medicare and Medicaid Services recommended that states provide continuous eligibility for children and consider continuous eligibility for parents *and* other adults.¹⁰ We note that the Connecticut legislature's Program Review and Investigations Committee staff issued a report at the end of January recommending to the Committee that they propose restoration of continuous eligibility for children and require that the state Department of Social Services apply for a waiver to implement the strategy for adults in Medicaid as well.¹¹

Continuous eligibility can also ease the burden on DSS staff and reduce administrative costs

Added costs to the State are incurred when individuals lose coverage and need to reapply during the year.¹² Data from other states show that administrative costs for re-enrolling an eligible individual are over \$200 in CPI-adjusted dollars – not an insignificant cost.¹³ In addition, research has shown that individuals who return to the program after a gap in coverage are more likely to incur *increased* medical costs.¹⁴ One analysis found that on average an adult has a monthly medical expenditure of \$469 for a six-month enrollment period versus \$333 per month when twelve months of eligibility was in effect.¹⁵ These data suggest that patients with uninterrupted health coverage for twelve months cost less on average per month than those with fewer months of continuous coverage. Having gone without insurance, individuals have unmet health needs when they return to the program after a gap in coverage.

In closing, we would urge the Committee to request that DSS provide an estimate of what it costs to re-enroll an individual in the HUSKY program. We make this suggestion because in the past when this body has considered whether to reinstate continuous eligibility, the Office of Fiscal Analysis calculated a cost estimated based on utilization of health care services alone and provided no offset for additional administrative costs.¹⁶ In addition, prior to 2012 the Department was paying private managed care plans a per member per month fee regardless as to whether the member received health services in a given month. Under the current HUSKY program, the Department pays the claims and therefore the health costs estimates for those enrolled for 12 months would not be based on a per member per month calculation.

Thank you for the opportunity to testify in support of H.B. 5137 which if adopted would restore 12 months of continuous eligibility for children in the HUSKY Program. Please feel free to contact me if you have questions or need additional information.

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- ¹ Continuous eligibility was repealed by P.A. 03-02(Sec. 7). Available at <http://www.cga.ct.gov/2003/act/Pa/2003PA-00002-R00HB-06495-PA.htm>.
- ² See, *Rabin v. Wilson-Coker*, 266 F. Supp. 2d 332 – Dist. Court, D. Connecticut 2003.
- ³ Georgetown University Health Policy Institute Center for Children and Families. Medicaid/CHIP renewal procedures for children. Washington, DC: Center for Children and Families, August 11, 2013. Available at: <http://ccf.georgetown.edu/wp-content/uploads/2012/04/MedicaidCHIP-Enrollment-Procedures-for-Children2.pdf>
- ⁴ Ku L, Steinmetz E, Bruen BK. Continuous-eligibility policies stabilize Medicaid coverage for children and could be extended to adults with similar results. *Health Affairs* 2013, 9: 1576-1582.
- ⁵ Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medicaid Policy Institute, April 2010. Available at: http://www.massmedicaid.org/sites/default/files/download/publication/2010_4_21_disenrollment_mh_cc_0.pdf
- ⁶ Unpublished results of enrollment and claims data, available from Mary Alice Lee (malee@ctvoices.org).
- ⁷ See, e.g., Lee MA. Children in the HUSKY Program Experience Coverage Gaps: An Update. Connecticut Voices for Children, May 2012.
- ⁸ Lee MA., *Id.*
- ⁹ Unpublished data available from Mary Alice Lee (malee@ctvoices.org)
- ¹⁰ Centers for Medicare and Medicaid Services. Facilitating Medicaid and CHIP enrollment and renewal in 2014 (SHO #13-003; ACA #26). Letter to State Health Officials and State Medicaid Directors, May 17, 2013. Implementing continuous eligibility for adults would require the state to submit an application to the federal government for an “1115 Medicaid Waiver”.
- ¹¹ Conklin, C, Duffy, M. Hospital Department Use and Its Impact on the State Medicaid Budget, January 31, 2014. The specific recommendation set forth at page 9 in the report states, “Statutorily adopt a 12-month continuous eligibility provision for children during the 2014 legislative session. Further, DSS shall immediately seek an amendment to its 1115 waiver from the Centers for Medicare and Medicaid Services to implement 12-month continuous eligibility for all adult Medicaid recipients.”
- ¹² Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medical Policy Institute, April 2010, Available at: http://www.massmedicaid.org/sites/default/files/download/publication/2010_4_21_disenrollment_mh_cc_0.pdf
- ¹³ Seifert R, Kirk G, Oakes M., *Id.*
- ¹⁴ Seifert R, Kirk G, Oakes M., *Id.*
- ¹⁵ Ku L, Steinmetz E. The Continuity of Medicaid Coverage: An Update. Association for Community Affiliated Plans, April 2013.
- ¹⁶ See, OFA fiscal note for S.B. 1, An Act Concerning the HealthFirst Connecticut Initiative (“Sections 7 and 27 also reestablish the continuous eligibility policy for children in the HUSKY plan. Assuming the rate increases included in section 12, this change is estimated to cost \$2,800,000 annually. These costs would be reimbursed 50% by the federal government under the Medicaid program. The bill also establishes a continuous eligibility policy for adults in the HUSKY programs. This change is estimated to cost approximately \$925,000 annually. Based on current federal policy, it does not appear that these funds will be federally reimbursable.”) Available at <http://www.cga.ct.gov/2007/FN/2007SB-00001-R000472-FN.htm>